

Message Text

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43

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EO 11652: N/A

TAGS: ELAB, EGAN, DA

SUBJECT: LO REJECTS INCOMES POLICY ASPECTS OF GOVERNMENT'S
ECONOMIC COMPROMISE

REF: COPENHAGEN 2771

SUMMARY: SPEAKING FOR THE DANISH TRADE UNION FEDERATION,
PRESIDENT THOMAS NIELSEN HAS REJECTED THE GOVERNMENT'S
PROPOSED LIMITATION OF WAGE INCREASES FOR THE NEXT TWO
YEARS OF SIX PERCENT EACH YEAR. AUTOMATIC COST OF LIVING
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ADJUSTMENTS WILL EAT UP MOST OF THAT AMOUNT AND WAGE DRIFT

AND OTHER WAGE ADJUSTMENTS WOULD CONSUME ALMOST ALL OF THE REST. NIELSEN FORESEES WORKER RESISTANCE TO THE LIMITATIONS AND THE CALLAPSE OF THE ECONOMIC COMPROMISE BY SPRINGTIME. END SUMMARY.

1. IN A STATEMENT TO THE TRADE UNION NEWSPAPER LO BLADET PUBLISHED TODAY, THEPRESIDENT OF THE DANISH TRADE UNION FEDERATION (LO), THOMAS NIELSEN, REJECTED THE LIMIT OF SIX PERCENT IN ANNUAL WAGE INCREASES FOR 1977 AND 1978 ACCEPTED BY THE FIVE PARTICIPATING PARTIES IN THE ECONOMIC COMPROMISE ACHIEVED BY THE GOVERNMENT LAST WEEK. NIELSEN POINTED OUT THAT WITH EXPECTED AUTOMATIC COST OF LIVING ADJUSTMENTS OF ALMOST FOUR PERCENT EACH YEAR, THE COMPROMISE ALLOWS FOR NEGOTIATIONS FOR ONLY ABOUT TWO PERCENT IN INCREASES IN THE NEGOTIATIONS WITH THE EMPLOYERS THIS WINTER. BEYOND THAT, THE GOVERNMENT'S PLAN ANTICIPATES THAT WAGE DRIFT AND OTHER ADJUSTMENTS BE INCLUDED IN THE TWO PERCENT.

2. NIELSEN TOOK NOTE OF THE POWER OF THE GOVERNMENT TO LEGISLATE AN AGREEMENT ON WAGE INCREASES BETWEEN THE WORKERS AF THE EMPLOYERS BASED ON A MEDIATOR'S PROPOSALS (THIS WAS DONE TWO YEARS AGO), BUT PREDICTS THAT SUCH AN ACTION WOULD NOT BE ACCEPTED BY THE RANK AND FILE. HE CHARGED THE GOVERNMENT WITH AN UNWARRANTED INTERFERENCE IN FREE COLLECTIVE BARGAINING AND PREDICTED THE CALLAPSE OF THE ECONOMIC COMPROMISE BY SPRING.

3. COMMENT: NIELSEN AND THE LO LEADERS ARE UNDER HEAVY PRESSURE FROM THE MEMBERSHIP TO ACHIEVE BROADER BARGAINING PARAMETERS. INCITED BY LEADERS OF THE LEFTIST PARTIES AND THEIR ALLIES IN THE UNIONS, THERE HAVE ALREADY BEEN A SMALL NUMBER OF WILDCAT STRIKES AND PROTESTS AGAINST THE COMPROMISE. SO, WHILE AWARE OF THE NEED FOR WAGE RESTRAINT, THE LO HAS REJECTED THE GOVERNMENT PROPOSAL AS BEING TOO LITTLE AND POINTED TO THE LACK OF ASSURANCES THAT SECTORS OTHER THAN THE BLUE COLLAR WORKERS WOULD BE PLACED UNDER THE RESTRAINT REGIME.

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